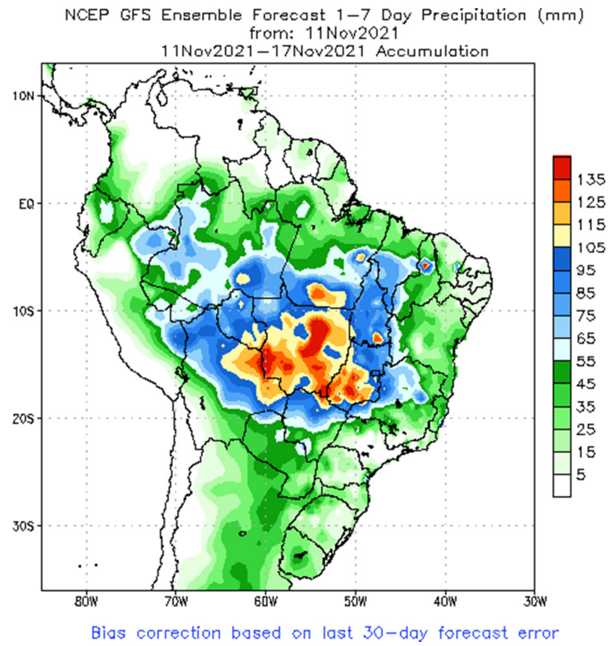
Weather

No changes to the outlook. Northern Brazil will see mostly above normal rainfall over the next two weeks, maintaining strong conditions. Another few days of mostly dry weather in southern Brazil before rainfall returns around Tuesday. Rainfall chances will continue in the 6-10 day period and there might be some light additional totals in the 11-15 day period. Overall two week rainfall amounts will be 1.5-2.5" in RGDS and 2-4" elsewhere. Argentina will see some rains start to develop tonight in southern areas. These rains will gradually spread northward through key growing regions during the weekend producing widespread 1-2" amounts. We should then see pretty minimal rainfall chances for the duration of the 10-day period. No extreme heat is expected anywhere.



Crops

I had completely forgotten about it, but FSA reported updated acreage figures on Tuesday. I only thought about it yesterday when a friend noted that some analysts were suggesting the FSA release would imply bigger planted area projections could be due from NASS in their January Crop Production report. In the table below, I breakdown the tendencies between official NASS planted area estimates and the final FSA acreage release for each year. I understand it might be a little hard to read, but all I'm attempting to show here is the "standard" net difference and percentage difference between NASS and FSA acreage figures. The yellow highlighted figures are the most recent FSA planted and failed acreage numbers reported earlier this week. One could make an argument that the difference between the current NASS and FSA acres is a bit smaller than the typical average, which might imply an addition to NASS's acreage estimate. However, the difference doesn't appear to truly stand out in my opinion. I remain unconvinced.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		Avg
CORN - ACRES PLANTED	93,527,000	85,982,000	86,382,000	88,192,000	91,936,000	97,291,000	95,365,000	90,597,000	88,019,000	94,004,000	90,167,000	88,871,000	89,745,000	90,652,000	93,304,000		
FSA Planted & Failed	91,145,611	83,393,737	83,841,811	85,373,233	88,864,419	94,069,934	92,398,641	86,504,538	85,143,177	91,066,450	87,360,513	86,397,863	87,176,200	88,680,857	91,353,524		
Net Diff																	
FSA Planted & Failed	2,381,389	2,588,263	2,540,189	2,818,767	3,071,581	3,221,066	2,966,359	4,092,462	2,875,823	2,937,550	2,806,487	2,473,137	2,568,800	1,971,143	1,950,476		2,808,073
% Diff																	
FSA Planted & Failed	2.61%	3.10%	3.03%	3.30%	3.46%	3.42%	3.21%	4.73%	3.38%	3.23%	3.21%	2.86%	2.95%	2.22%	2.14%		3.19%
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		Avg
SOYBEANS - ACRES PLANTED	64,741,000	75,718,000	77,451,000	77,404,000	75,046,000	77,198,000	76,820,000	83,296,000	82,660,000	83,453,000	90,162,000	89,167,000	76,100,000	83,354,000	87,235,000		
FSA Planted & Failed	62,856,803	74,801,146	76,405,645	76,318,369	73,773,362	75,879,254	75,299,261	81,757,354	81,370,432	82,106,302	88,752,309	87,964,779	75,083,870	82,050,916	86,249,137		
Net Diff																	
FSA Planted & Failed	1,884,197	916,854	1,045,355	1,085,631	1,272,638	1,318,746	1,520,739	1,538,646	1,289,568	1,346,698	1,409,691	1,202,221	1,016,130	1,303,084	985,863		1,296,443
% Diff																	
FSA Planted & Failed	3.00%	1.23%	1.37%	1.42%	1.73%	1.74%	2.02%	1.88%	1.58%	1.64%	1.59%	1.37%	1.35%	1.59%	1.14%		1.68%

In the following pages I show state-level FSA details. You can see some states certainly should see NASS increase acreage, but there are others that likely are due for a decrease. I'll contend any acreage adjustment is likely to be minimal. Thoughts appreciated.

Corn - FSA Breakdown

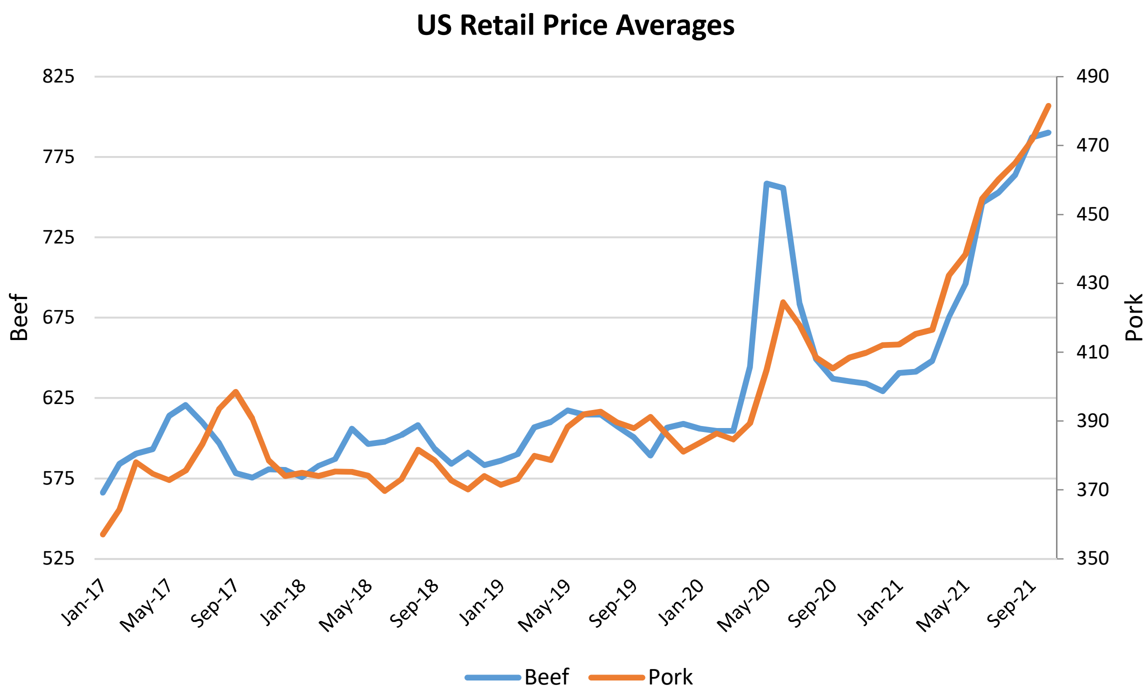
	November FSA Planted & Failed	Nov-Sep Planted & Failed Chg	NASS Planted Area	% of NASS	Actual vs. Nass
ALABAMA	317,870	71	350,000	91%	(32,130)
ARIZONA	91,183	5,776	95,000	96%	(3,817)
ARKANSAS	837,757	2	850,000	99%	(12,243)
CALIFORNIA	317,531	6,600	450,000	71%	(132,469)
COLORADO	1,345,169	6,495	1,390,000	97%	(44,831)
DELAWARE	179,407	76	175,000	103%	4,407
FLORIDA	68,364	(32)	100,000	68%	(31,636)
GEORGIA	471,910	7,985	480,000	98%	(8,090)
IDAHO	355,682	12,909	380,000	94%	(24,318)
ILLINOIS	10,868,810	6,169	11,000,000	99%	(131,190)
INDIANA	5,484,283	2,100	5,400,000	102%	84,283
IOWA	12,748,457	6,752	12,900,000	99%	(151,543)
KANSAS	5,615,632	4,024	5,700,000	99%	(84,368)
KENTUCKY	1,480,967	162	1,550,000	96%	(69,033)
LOUISIANA	569,954	51	580,000	98%	(10,046)
MARYLAND	439,307	208	470,000	93%	(30,693)
MICHIGAN	2,256,031	3,020	2,350,000	96%	(93,969)
MINNESOTA	8,315,641	3,238	8,300,000	100%	15,641
MISSISSIPPI	710,560	247	730,000	97%	(19,440)
MISSOURI	3,556,123	698	3,650,000	97%	(93,877)
MONTANA	114,215	1,676	120,000	95%	(5,785)
NEBRASKA	9,873,635	3,502	9,900,000	100%	(26,365)
NEW JERSEY	75,663	0	90,000	84%	(14,337)
NEW MEXICO	116,867	12,330	115,000	102%	1,867
NEW YORK	1,016,683	301	1,050,000	97%	(33,317)
NO CAROLINA	938,736	480	960,000	98%	(21,264)
NO DAKOTA	3,998,863	922	4,100,000	98%	(101,137)
OHIO	3,477,103	1,790	3,600,000	97%	(122,897)
OKLAHOMA	325,747	1,209	340,000	96%	(14,253)
OREGON	92,627	5,589	90,000	103%	2,627
PENNSYLVANIA	933,745	702	1,330,000	70%	(396,255)
S CAROLINA	375,619	82	420,000	89%	(44,381)
S DAKOTA	6,058,088	3,891	6,100,000	99%	(41,912)
TENNESSEE	965,465	3	1,040,000	93%	(74,535)
TEXAS	2,082,139	16,795	2,100,000	99%	(17,861)
UTAH	56,696	2,040	75,000	76%	(18,304)
VIRGINIA	436,820	692	540,000	81%	(103,180)
WASHNGTON	170,526	6,273	160,000	107%	10,526
WEST VA	43,679	2	51,000	86%	(7,321)
WISCONSIN	3,909,820	7,178	3,950,000	99%	(40,180)
WYOMING	87,797	2,748	90,000	98%	(2,203)
Grand Total	91,353,524	135,177	93,304,000	98%	(1,950,476)

Soybeans - FSA Breakdown

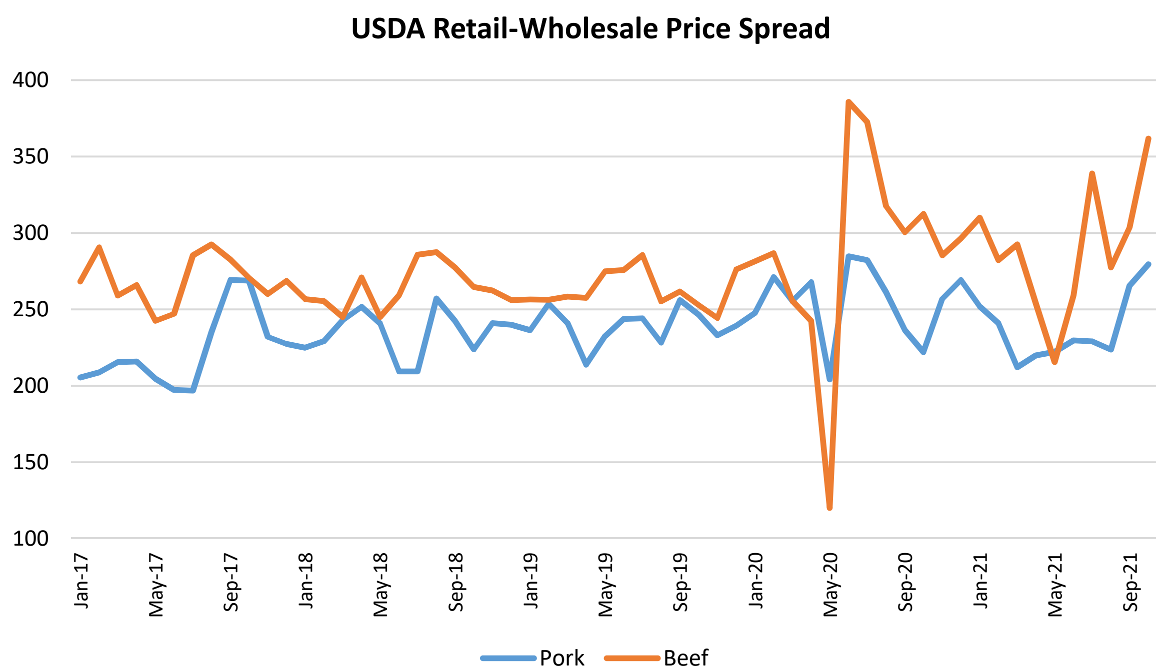
	November FSA Planted & Failed	Aug-Sep Planted & Failed Chg	NASS Planted Area	% of NASS	Actual vs. Nass
ALABAMA	296,785	146	310,000	96%	(13,215)
ARKANSAS	3,025,439	895	3,050,000	99%	(24,561)
DELAWARE	147,993	(66)	155,000	95%	(7,007)
GEORGIA	137,084	588	140,000	98%	(2,916)
ILLINOIS	10,501,679	8,499	10,600,000	99%	(98,321)
INDIANA	5,618,482	2,824	5,700,000	99%	(81,518)
IOWA	10,049,248	5,103	10,100,000	99%	(50,752)
KANSAS	4,813,829	9,511	4,850,000	99%	(36,171)
KENTUCKY	1,785,145	(211)	1,800,000	99%	(14,855)
LOUISIANA	1,072,180	2,413	1,080,000	99%	(7,820)
MARYLAND	480,633	345	490,000	98%	(9,367)
MICHIGAN	2,084,412	2,164	2,150,000	97%	(65,588)
MINNESOTA	7,590,143	4,035	7,700,000	99%	(109,857)
MISSISSIPPI	2,204,635	954	2,230,000	99%	(25,365)
MISSOURI	5,669,925	6,492	5,700,000	99%	(30,075)
NEBRASKA	5,518,194	2,531	5,600,000	99%	(81,806)
NEW JERSEY	93,917	(8)	100,000	94%	(6,083)
NEW YORK	315,091	82	325,000	97%	(9,909)
NO CAROLINA	1,618,061	2,189	1,650,000	98%	(31,939)
NO DAKOTA	7,197,863	1,004	7,300,000	99%	(102,137)
OHIO	4,829,525	3,329	4,850,000	100%	(20,475)
OKLAHOMA	571,163	4,457	575,000	99%	(3,837)
PENNSYLVANIA	531,977	1,129	580,000	92%	(48,023)
S CAROLINA	376,972	117	390,000	97%	(13,028)
S DAKOTA	5,411,442	3,270	5,500,000	98%	(88,558)
TENNESSEE	1,478,270	(443)	1,500,000	99%	(21,730)
TEXAS	102,991	(136)	110,000	94%	(7,009)
VIRGINIA	589,220	123	600,000	98%	(10,780)
WISCONSIN	2,049,602	3,119	2,100,000	98%	(50,398)
Grand Total	86,249,137	65,096	87,235,000	99%	(985,863)

Livestock

With the CPI release earlier this week, we got the monthly update on retail meat prices. The chart below looks at beef and pork prices. No surprises here…new records.



But here is the chart that really stands out to me. This shows the retail-wholesale price spread. The Biden administration has implied it wants to get tough on packers (whether it can is another discussion). With the retail "margin" pressing near record highs in both beef and pork, why won't the Biden administration point some attention at the retailers?



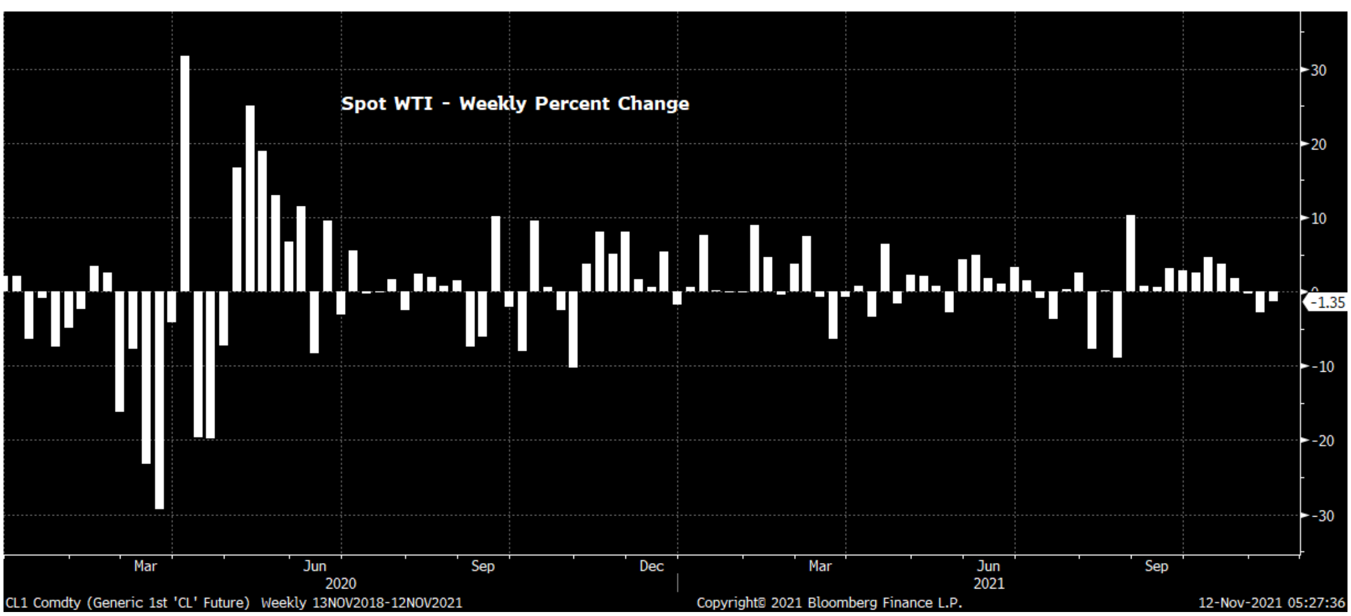
Financials

I like to look at the table below just for a view on CPI readings over different timeframes than the MoM and YoY levels reported. You can see that inflation is now exceeding the Fed's 2% "average" target for at least the past 5 years. If I were to add a column for 10-year annualized inflation, it would actually come up just under 2%. What is most interesting to me is that inflation appears to be accelerating further in recent months rather than calming down.

					2 years	3 Years	5 Years		1 month	4 months	6 months
Date	CPI Index		MoM	YoY	Annualized	Annualized	Annualized		Annualized	Annualized	Annualized
10/31/21	276.724		0.94%	6.24%	3.76%	3.14%	2.89%		11.32%	6.36%	7.41%
9/30/21	274.138		0.41%	5.38%	3.43%	2.90%	2.73%		4.95%	6.24%	7.06%
8/31/21	273.012		0.27%	5.20%	3.30%	2.82%	2.70%		3.29%	6.95%	7.49%
7/31/21	272.265		0.47%	5.28%	3.19%	2.77%	2.68%		5.69%	8.47%	7.65%
6/30/21	270.981		0.90%	5.32%	3.05%	2.63%	2.56%		10.86%	8.91%	7.20%
5/31/21	268.551		0.64%	4.93%	2.58%	2.36%	2.42%		7.73%	7.23%	5.84%
4/30/21	266.832		0.77%	4.15%	2.25%	2.21%	2.33%		9.24%	6.05%	4.89%
3/31/21	264.793		0.62%	2.64%	2.09%	2.04%	2.24%		7.44%	4.44%	3.57%
2/28/21	263.161		0.35%	1.68%	2.01%	1.85%	2.18%		4.26%	3.11%	2.81%
1/31/21	262.231		0.26%	1.37%	1.94%	1.81%	2.07%		3.08%	2.40%	2.81%

Energy

The chart below looks at the weekly percent change for spot WTI. Unless something big happens today, we're due to see a third consecutive week of lower prices. This has happened only one other time since Covid. Admittedly, the moves in the past three weeks haven't been huge. Still, this could potentially be a sign of slowing momentum.



Today's Calendar (all times Central)

- Export Sales – 7:30am
- JOLTS Job Openings – 9:00am
- U of M Consumer Sentiment – 9:00am

Thanks for reading.

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